# **Pamoja Art Society**

# **COMPILED FINANCIAL STATEMENTS**

June 30, 2014



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Carr, Riggs & Ingram, LLC 650 Olive Street Shreveport, LA 71104

(318)222-2222 (318)226-7150 (fax) www.cricpa.com

### ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors Pamoja Art Society Shreveport, Louisiana

We have compiled the accompanying statement of financial position of Pamoja Art Society (a not-for-profit organization) as of June 30, 2014, and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Pamoja Art Society.

CA22, RIGGE : INGRAM, LLC

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana December 18, 2014

# Pamoja Art Society Statement of Financial Position

June 30,		2014
Assets		
Current assets		
Cash	\$	7,458
Grants receivable	,	5,000
- Grants receivable		3,000
Total current assets		12,458
Collections		6,600
Property and equipment -net		4,915
Total assets	\$	23,973
Liabilities		
Accounts payable	\$	-
Total current liabilities		-
Total liabilities		-
Net assets		
Unrestricted		13,973
Temporarily restricted		10,000
Permanently restricted		-
Total net assets		23,973
		,
Total liabilities and net assets	\$	23,973

# Pamoja Art Society Statement of Activities

For the Year Ended June 30, 2014	Uni	restricted		mporarily estricted		nanently stricted	Total
Revenue							
State sales tax appropriations	\$	53,039	\$	7=	\$	<b>=</b> 0	\$ 53,039
Grants	~	20,000	Υ .	10,000	Υ		30,000
Contributions		3,000				_	3,000
Other		2,032		9 <del>2</del>		( <del>==</del> 0)	2,032
Total revenue		78,071		10,000		-	88,071
Expenses							
Program services							
Artist and instructor fees		8,900		§ <u>≅</u>		=	8,900
Depreciation		430		.=		-	430
Equipment and supplies		2,710		:-		_	2,710
Utilities		5,803		<u> 988</u>		1449	5,803
Rent		9,600		<u>-</u>		=	9,600
Other		585		.C <del>m</del>		-	585
The second secon							
Total program services		28,028		78		81	28,028
Support condess							
Support services		6 270					6 270
Accounting services Contract services		6,270		1. <del>-</del>		-	6,270
		13,150 1,785		i <del>la la</del>		<i>5</i> /l	13,150 1,785
Insurance		2,416		lo <del>ni</del>		===	eneral received
Marketing Personnel		20,550		1. <del></del>			2,416 20,550
Postage and supplies		1,504		700		. <del>-</del> v	20,550 1,504
Repairs and maintenance		4,225		( <del>-</del>		₹	4,225
Telephone		3,317		8 <del>.11</del>			3,317
Other		1,193					1,193
Other		1,193				<del>-</del>	1,133
Total support services		54,410		87		=	54,410
		00.400					00.105
Total expenses		82,438		82		( <del>==</del> ))	82,438
Change in net assets		(4,367)		10,000		₩.	5,633
Net assets, beginning of year		18,340		19 <u>10</u>		(44))	18,340
Net assets, end of year	\$	13,973	\$	10,000	\$	-	\$ 23,973

See accompanying notes to financial statements and accountant's compilation report.

# Pamoja Art Society Statement of Cash Flows

For the Year Ended June 30,	2014
Cash flows from operating activities	
Increase in net assets	\$ 5,633
Adjustments to reconcile change in not assets	
Adjustments to reconcile change in net assets to cash provided by operating activities	
Depreciation	430
Decrease in grant receivables	4,360
Decrease in accounts payable	(3,850)
Cash provided by operating activities	6,573
Net increase in cash	6,573
Cash, beginning of year	885
Cash, end of year	\$ 7,458

# Pamoja Art Society Notes to Financial Statements

### NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Pamoja Art Society ("Pamoja") is a not-for-profit organization whose principal purpose is the promotion of African-American Art. Pamoja began operations in November 1977 and serves the greater Shreveport-Bossier Area.

Pamoja receives sales tax appropriations under Act 12 of the Louisiana Legislative Session for promotion of arts and various other grants. During the year ended June 30, 2014, Pamoja's sales tax appropriations were \$53,039 and grant revenues were \$30,000. Pamoja relies upon the funding from these sources for its continued operations.

### **Summary of Significant Accounting Policies**

The accounting policies of Pamoja conform to generally accepted accounting principles as applicable to not-for-profit organizations. The more significant accounting policies of Pamoja are described below:

### **Basis of Accounting**

Pamoja prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### **Net Assets**

Under the provisions of FASB ASC 958, "Not-For-Profit Entities," net assets and revenues and contributions, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Pamoja and changes therein are classified and reported as follows:

### Unrestricted net assets

These are net assets that are not subject to donor-imposed stipulations. Support restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

## Temporarily restricted net assets

These are net assets that are subject to donor-imposed stipulations which may or will be met either by actions of Pamoja and/or the passage of time. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

# Pamoja Art Society Notes to Financial Statements

# NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

# Permanently restricted net assets

Net assets that are subject to donor-imposed stipulations requiring that they be maintained permanently by Pamoja. Generally, the donors of these assets permit Pamoja to use all or part of the income earned on related investments for general or specific purposes.

### Federal Income Taxes

Pamoja is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Pamoja is also exempt from Louisiana state income taxes.

Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Pamoja is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years prior to 2010.

### Cash

Pamoja's cash consists of deposits in bank checking accounts.

### **Property**

Property is stated at cost. Pamoja follows the practice of capitalizing expenditures for property and equipment in excess of \$500. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which range from three to forty years.

### Collections

Pamoja capitalizes works of art at cost. Due to the longevity of this asset class, depreciation is not taken.

### **Risks and Uncertainties**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

## **Concentrations of Credit Risk**

Pamoja maintains its cash balances in financial institutions. The balance with each financial institution is insured by the FDIC up to \$250,000. At June 30, 2014, the cash balances were fully insured.

# **NOTE 2: PROPERTY AND EQUIPMENT - NET**

As of June 30, 2014, property and equipment consisted of the following:

June 30,	2014
Building	\$ 4,000
Building Improvements	4,944
Furniture and Equipment	16,553
Total, at cost	25,497
Accumulated Depreciation	(20,582)
Property and Equipment - Net	\$ 4,915

Depreciation charged to operations was \$430 for the year ended June 30, 2014.

## **NOTE 3: COMMITMENTS AND CONTINGENCIES**

Grants require the fulfillment of certain conditions as set forth in the grant contracts. Failure to fulfill the requisite conditions could result in the return of grant funds to the grantor.

Pamoja leases its office facility from a related party under a five-year operating lease which began in July, 2011. Rent expense for the year ended June 30, 2014, was \$9,600. Minimum future rental payments to be paid as of June 30, 2014 are as follows:

June 30,	
2015	\$ 9,600
2015 2016	 9,600
Total	\$ 19,200

## **NOTE 4: RELATED PARTY TRANSACTIONS**

Pamoja paid members of its executive board and other related parties a total of \$10,500 for program services and \$20,070 for support services performed for the year ended June 30, 2014.

# **NOTE 5: SUBSEQUENT EVENTS**

Pamoja has evaluated subsequent events through December 18, 2014, which is the date the financial statements were available to be issued.